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DEPARTMENT OF HOMELAND SECURITY

U. S. Customs and Border Protection

Automated Commercial Environment (ACE) Becoming the Sole CBP-Authorized Electronic Data Interchange (EDI) System for Processing Electronic Drawback Filings

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces that the Automated Commercial Environment (ACE) will be the sole electronic data interchange (EDI) system authorized by U.S. Customs and Border Protection (CBP) for processing electronic drawback filings under part 181 (NAFTA drawback) and part 191 (non-TFTEA drawback) of Title 19 of the Code of Federal Regulations. This document also announces that the Automated Commercial System (ACS) will no longer be a CBP-authorized EDI system for purposes of processing such filings. This notice further announces the deployment of a new ACE filing code for all electronic drawback filings, replacing the six distinct drawback codes previously filed in ACS.

DATES: As of February 24, 2018, ACE will be the sole CBP-authorized EDI system for processing drawback filings under part 181 (NAFTA drawback) and part 191 (non-TFTEA drawback) of Title 19 of the Code of Federal Regulations, and ACS will no longer be a CBP-authorized EDI system for such purpose.

FOR FURTHER INFORMATION CONTACT: Randy Mitchell, Commercial Operations and Entry Division, Trade Policy and Programs, Office of Trade at (202) 863-6532 or RANDY.MITCHELL@CBP.DHS.GOV.

SUPPLEMENTARY INFORMATION:

I. Background

Section 484 of the Tariff Act of 1930, as amended (19 U.S.C. 1484), establishes the requirement for importers of record to make entry for merchandise to be imported into the customs territory of the United States. Customs entry information is used by U.S. Customs and Border Protection (CBP) and Partner Government Agencies (PGAs) to determine whether merchandise may be released from CBP custody. Importers of record are also obligated to complete the entry by filing an entry summary declaring the value, classification, rate of duty applicable to the merchandise and such other information as is necessary for CBP to properly assess duties, collect accurate statistics and determine whether any other applicable requirement of law is met.

The customs entry requirements were amended by Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057, December 8, 1993), commonly known as the Customs Modernization Act, or Mod Act. In particular, section 637 of the Mod Act amended section 484(a)(1)(A) of the Tariff Act of 1930 (19 U.S.C. 1484(a)(1)(A)) by revising the requirement to make and complete customs entry by submitting documentation to CBP to allow, in the alternative, the electronic transmission of such entry information pursuant to a CBP-authorized electronic data interchange (EDI) system. CBP created the Automated Commercial System (ACS) to track, control, and process all commercial goods imported into the

United States. CBP established the specific requirements and procedures for the electronic filing of entry and entry summary data for imported merchandise through the Automated Broker Interface (ABI) to ACS.

II. Transition into the Automated Commercial Environment

In an effort to modernize the business processes essential to securing U.S. borders, facilitating the flow of legitimate shipments, and targeting illicit goods pursuant to the Mod Act and the Security and Accountability for Every (SAFE) Port Act of 2006 (Pub. L. 109-347, 120 Stat. 1884), CBP developed the Automated Commercial Environment (ACE) to eventually replace ACS as the CBP-authorized EDI system. Over the last several years, CBP has tested ACE and provided significant public outreach to ensure that the trade community is fully aware of the transition from ACS to ACE.

On October 13, 2015, CBP published an Interim Final Rule in the *Federal Register* (80 FR 61278) that designated ACE as a CBP-authorized EDI system. The designation of ACE as a CBP-authorized EDI system was effective November 1, 2015. In the Interim Final Rule, CBP stated that ACS would be phased out and anticipated that ACS would no longer be supported for entry and entry summary filing. Filers were encouraged to adjust their business practices so that they would be prepared when ACS was decommissioned.

CBP developed a staggered transition strategy for decommissioning ACS. The phases of the transition were announced in several *Federal Register* notices. *See* 81 FR 10264 (February 29, 2016); 81 FR 30320 (May 16, 2016); 81 FR 32339 (May 23, 2016); 82 FR 38924 (August

16, 2017); and 82 FR 51852 (November 8, 2017). This notice announces another transition as the processing of electronic drawback filings under parts 181 and 191 of title 19 of the Code of Federal Regulations (CFR) is transitioning into ACE.

III. ACE as the Sole CBP-Authorized EDI System for the Processing of Electronic Filings of NAFTA Drawback and Non-TFTEA-Drawback

This notice announces that, beginning February 24, 2018, ACE will become the sole CBP-authorized EDI system for electronic filings of NAFTA drawback (19 CFR part 181) and non-TFTEA drawback (19 CFR part 191), and ACS will no longer be a CBP-authorized EDI system for purposes of processing these electronic filings. A separate *Federal Register* document will be published containing proposed regulations regarding TFTEA-Drawback claims, which are those claims filed under 19 U.S.C. 1313, as amended by the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) (Pub. L. 114–125, 130 Stat. 122, February 24, 2016). The electronic filings referred to in this document, i.e., non-TFTEA drawback claims, are limited to drawback claims filed in compliance with the regulations in parts 181 and 191 and under 19 U.S.C. 1313, as it was in effect prior to the TFTEA amendments.

IV. Deployment of New Filing Code for Drawback in ACE

CBP announces the deployment of a new ACE filing code 47 for drawback as of February 24, 2018, which will replace the following six drawback codes previously filed in ACS:

- 41 - Direct Identification Manufacturing Drawback
- 42 - Direct Identification Unused Merchandise Drawback
- 43 - Rejected Merchandise Drawback
- 44 - Substitution Manufacturing Drawback
- 45 - Substitution Unused Merchandise Drawback
- 46 - Other Drawback

V. Entry Types with Low Shipment Volume

This notice announces that the following entry types will not be automated in either ACS or ACE due to low shipment volume:

- 04 - Appraisement
- 05 - Vessel – Repair
- 24 - Trade Fair
- 25 - Permanent Exhibition
- 26 - Warehouse – Foreign Trade Zone (FTZ) (Admission)

- 33 - Aircraft and Vessel Supply (For Immediate Exportation)
- 64 - Barge Movement
- 65 - Permit To Proceed
- 66 - Baggage

Dated: January 12, 2018.

Kevin K. McAleenan,
Acting Commissioner,
U.S. Customs and Border Protection.

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